

Neighborhood & Urban Design Division

Let's Get Organized!

City of San Antonio Planning Department

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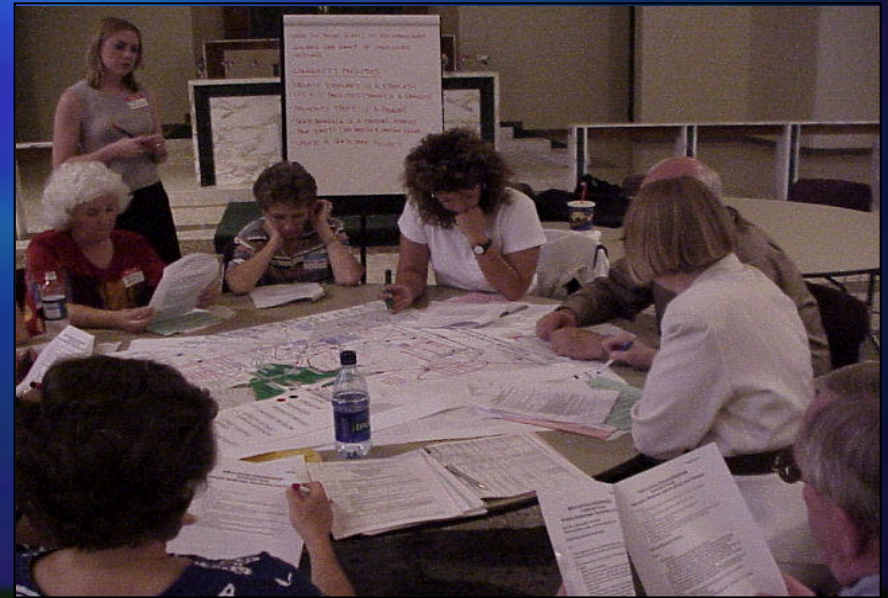
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Let's Get Organized!

- Why Organize?
- COSA Neighborhood Registration
- Process to form a Neighborhood Association
- Bylaws & Incorporation
- Non-profit Status & Tax Exemption

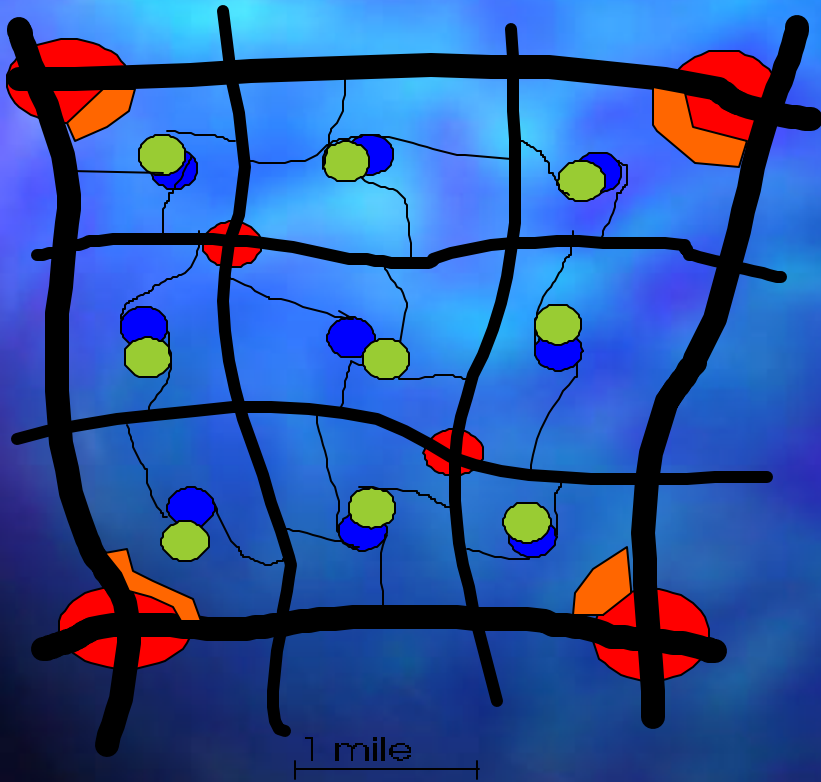


City of San Antonio Master Plan Policies (1997)

- **Goal 1: Preserve, protect and enhance the integrity, economic viability, and livability of San Antonio's neighborhoods**
 - **Policy 1g:** Encourage the establishment of neighborhood associations

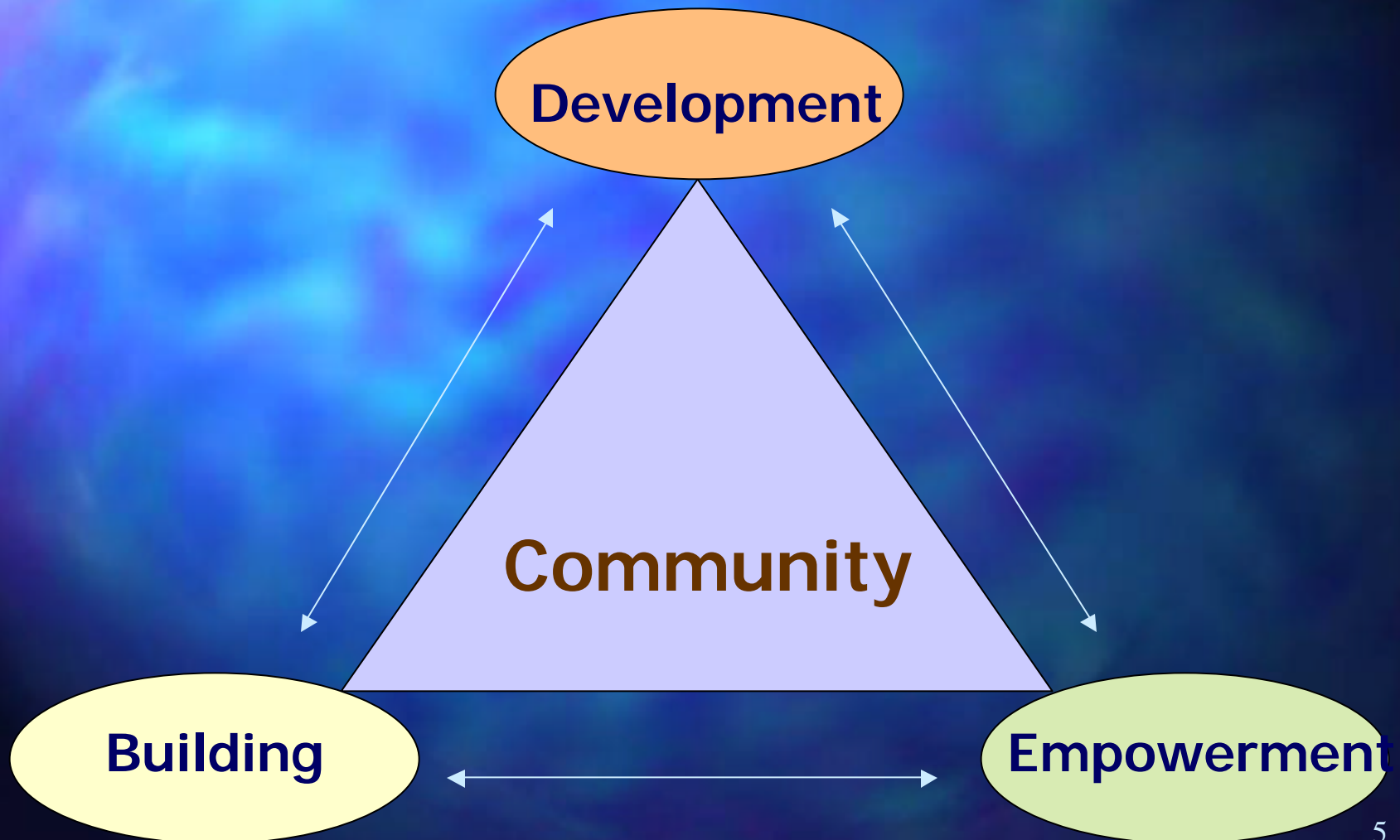
Why Organize?

Neighborhood Model
Development Building Block



- Neighborhoods are the building blocks of the City
- A healthy City is dependent on having healthy neighborhoods
- Organized Neighborhood Associations are essential to building and improving the city's physical and social environments. ⁴

Benefits of Organizing



Benefit #1: Community Building

Establishing an organized group that can:

- Build and sustain strong social networks a community,
- Solve problems and make group decisions,
- Develop and pass on leadership skills,
- Identify goals and get work done

Benefit #2: Empowerment

Developing the abilities of the organized group to:

- Raise awareness by encouraging people to participate in matters that will affect them,
- Achieve a consensus on goals and priorities,
- Agree on ways to implement the goals,
- Speak with a single, united voice and achieve recognition by elected official and commissions

Benefit #3:

Community Development

- **Activities of the organized group that:**
 - Motivate people to take action to change something in their neighborhood
 - Establish partnerships to tap into technical & other services to encourage initiative & self help
 - Creates new group responsibilities such as having regular open meetings, responding to issues, & maintaining good communication

COSA Neighborhood Registration

- Enhance city's ability to receive and respond to neighborhood concerns
- Provides property owners and neighborhood residents the opportunity to review land use issues

COSA Neighborhood Registration

- Neighborhood Association and Community Organization Registration
 - 363 Neighborhood Associations registered
 - 50 Community Organizations registered
 - NAs within 200 feet receive notification of public hearings concerning rezonings, plan amendments, BOA cases, and demolitions before the HDRC
 - Neighborhood Listing on Web site
 - Need adopted bylaws, boundaries & officers list to register

Process to form a Neighborhood Association

- Hold Community Meetings
- Develop Bylaws & File with Bexar County Clerk's office
- Elect Officers
- Research Tax Exemption & Tax Consequences and file appropriate documentation as desired
- Register with the City of San Antonio

Organizing a Community Meeting



Meeting Preparation

- Initial meeting of interested citizens
- Discuss potential boundaries
- Appoint a committee to prepare bylaws document
- Send proposed boundaries to Planning Department to get list of residents/property owners & addresses
- Block walk and distribute fliers that announce 2 community meetings

Neighborhood Size & Composition

- Boundaries – streets, natural features such as creeks or rivers, etc.
- Area - 1 sq. mile or 2,500 persons
- No overlapping boundaries
- Shared identity, physical similarities, or behaviors (e.g. attend same elementary school)
- Should include businesses, school, parks and other institutions – what are the community's assets?

1st Community Meeting

- Sign in sheet/Slide show of neighborhood
- Ideas on what the mission of the group should be (distribute index cards)
- Assemble committee to write bylaws
- Assemble committee to nominate officers
- Fill out talents inventory
- Ask how often the association should meet (monthly, 4 times/yr., etc.) or what a reasonable dues structure should be by show of hands

2nd Community Meeting

- Present and Adopt bylaws
- Elect officers
- Set next meeting date, time & location

Bylaws

- Rules for an Organization
- May be recorded at the County Clerk's office to have an official copy on file
- Define the organization's purpose, boundaries or service area, and detail how the organization is administered
- Describes how funds are accounted for

Bylaws Structure

- Name, Purpose, Location, Boundaries
- Membership
- Voting
- Meetings
- Board of Directors or Officers
- Committees – standing or ad hoc
- Amending the Bylaws
- Dissolution

Composition of the Board

- Good geographic representation
- Diversity of talent and leadership skills

President – official spokesperson, presides over meetings

Vice President – works with current president to learn the ropes

Secretary – takes detailed minutes at meetings & records voting

Treasurer – keeps good records of finances and reports monthly; makes reimbursements, and collects money

Unincorporated Nonprofits

- State of Texas grants authority to form an unincorporated non-profit (Business Organization Code, Ch. 252)
- An unincorporated organization “consists of 3 or more members joined by mutual consent for a common purpose”
- May acquire & hold real & personal property
- May transfer real estate by a person authorized by a statement of authority recorded in county clerk’s office
- Member not liable for a breach in a contract or for a civil act or omission

Unincorporated Nonprofits

- A member may assert a claim against the nonprofit assn., & a nonprofit assn. may assert a claim against a member
- Must maintain "correct & complete books & records of account at least 3 years after the end of each fiscal year and shall make the books & records available on request to members of the association for inspection & copying."
- Attorney General may investigate nonprofit & examine books

Incorporated Nonprofits

- Nonprofit corporation means no part of the income of a corporation is distributed to a member, director, or officer of the corporation (Sec. 22, Business Organization Code)
- Requires bylaws
- Requires certificate of formation (Articles of Incorporation) filed with Secretary of State's office
- May have one or more classes of membership or may have no members
- Shall provide notice of meeting

Incorporated Nonprofits

- Managed by a board of directors
- Members not personally liable for a debt, liability, or obligation of the corporation
- Provides for conveyance of real property
- Requires that the organization keep complete accounting of records and finances
- Must prepare an annual financial report

IRS Registration to Obtain Employee Identification Number

- Every organization must have an EIN, even if you do not have an employee
- To open a bank account, you need an EIN
- File an SS-4 Form with the IRS to obtain an EIN
- This is not a “tax exempt” number: it is a federal identification number

IRS Application to Obtain 501(c)3 Federal Tax Exemption

- To be exempt from federal income tax, an organization must file an application for recognition of exemption with the IRS.
- Register for exemption under section 501(c)3 (there is a filing fee)
- **Exceptions** to application requirement:
 - Churches, their auxiliaries, & conventions & associations of churches
 - **An organization , the gross receipts of which in each taxable year are normally not more than \$5,000**

IRS Application to Obtain 501(c)3 Federal Tax Exemption

- Helps donors claim tax deductions –
Deductions by donor have proof that the organization is tax exempt
- Must submit a 990 form to IRS on an annual basis if has less than \$25,000 in annual income

State Sales Tax Exemption

- Registration as a 501 (c) 3) is NOT required
- Exemptions provided for in Section 151.310, 156.102 & 171.062 of the Texas Tax Code
- Use certificates (not a federal ID number) to obtain sales tax exemption from business
- Submit information to the State Comptroller's office asking for exempt status from the limited sales tax:
 - Comptroller of Public Accounts, Exempt Organizations Section, P.O. Box 13528, Austin, TX 78711-3528
 - 1-800-252-5555

State Sales Tax Exemption

■ Requirements for exemption:

- Bylaws
- Articles of Incorporation(if incorporated)
- Copy of 2 year proposed budget
- Description of organization's activities
- If 501(c)3, can also apply for an exemption on the basis of a federal exemption (need IRS determination letter)

When Do We Collect Sales Tax?

- **Must obtain a sales tax permit and collect and remit sales tax on items the organization sells, with the following exceptions:**
- Organization may hold a tax-free annual banquet or other food sale provided it is not professionally catered, held in a restaurant or hotel, and the food is prepared, served and sold by members of the organization
- Membership dues are exempt from sales tax
- May hold 2 one-day, tax-free sales or auctions each calendar year (ex. Rummage sales, auctions)

Break



Next Steps?

- Review Workshop Handouts & Membership Tips
- Questions
- Helpful Resources:
 - Neighborhood Resource Center,
PO Box 120246, San Antonio, TX 78212-9446
Phone 735-0586 nrcsa@swbell.net
www.nrc-sa.org
 - Non-profit Resource Center of Texas,
PO Box 27215, San Antonio, TX 78227-0215
Phone 227-4333 sitehelp@nprc.org
www.nprc.org

CONTACT INFORMATION

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